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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/658,770	09/11/2000	Frank J. McConnell	SACO115537	4422

26389 7590 01/20/2010

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ART UNIT	PAPER NUMBER
3686	

MAIL DATE	DELIVERY MODE
01/20/2010	PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte FRANK J. McCONNELL, WILLIAM M. TORMEY,
ANNE H. RANDALL, DENNIS M. ELLERMEIER,
GREG S. JOHANNSEN, JASON J. LEWIS, and EDWARD V. LENOIR

Appeal 2009-009995
Application 09/658,770
Technology Center 3600

Decided: January 20, 2010

Before HUBERT C. LORIN, ANTON W. FETTING, and BIBHU R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1, 3-8, and 10-19 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF THE DECISION

We AFFIRM-IN-PART.

THE INVENTION

The Appellants' claimed invention is directed to a method and system for providing insurance policies through a network that re-intermediates insurance agents into an on-line sales process (Spec. 3:6-8). Claim 1, reproduced below with added numbering in brackets, is representative of the subject matter of appeal.

> 1. A method for providing an insurance policy via a distributed computing network, comprising:
>
> receiving a request for a bindable premium quotation for an insurance policy;
>
> in response to said request, receiving information relating to the insurability of an individual to be insured by said insurance policy and information relating to the coverage to be provided by said insurance policy;
>
> gathering underwriting information from one or more outside information resources based upon the identify of said individual;
>
> determining whether said insurance policy may be underwritten;
>
> in response to determining that said insurance policy may be underwritten, calculating a premium for said insurance policy and providing said premium to a requestor of said premium quotation as a bindable insurance premium quotation;
>
> [1] receiving a request to purchase said insurance policy

according to said bindable insurance premium quotation; and
in response to said request, re-intermediating an insurance agent and issuing said insurance policy.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Mitcham US 5,537,315 Jul. 16, 1996

CNA Customer Services website. 03-2000 http://web, archive.org/web/20000311214508/www.cna.com/group /custserv/grstate.html.

MostChoice Advisor website. 08-2000 http://web.archive.org/web/20000818065246/www.mostchoice.com/ General/Advisor_Center/Why/G_Adv_Why_Overview.cfm.

"About the Internet Archive," Internet Archive website. http://www. Archive.org/about/about, php?PHPSESSID = 65273f765ad223 0e0deccecb9ea80b44.

"Frequently Asked Questions." Internet Archive website. http://www.archive.org/about/faqs.php?PHPSESSID = 36lcbbf524ed9f5cfc7410de5e03cf49.

The following rejections are before us for review:

1. Claims 1 and 3-7 are rejected under 35 U.S.C. § 101.

2. Claims 1, 3, and 19 are rejected under 35 U.S.C. § 102(b) as anticipated by Mitcham.

3. Claims 4-8 and 10-19 are rejected under 35 U.S.C. § 103(a) as unpatentable over Mitcham, CNA Customer Services website, and the MostChoice Advisor website.

THE ISSUES

At issue is whether the Appellants have shown that the Examiner erred in making the aforementioned rejections.

With regards to the rejection of the claims under 35 U.S.C. § 101 this issue turns on whether claim 1 meets the requirements of the machine or transformation test.

With regards to the rejection of the claims under 35 U.S.C. § 102(b) and 35 U.S.C. § 102(b) this turns on whether Mitcham discloses limitation [1] as identified above in claim 1.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence:[1]

FF1. Mitcham discloses a method and apparatus for issuing insurance from a kiosk (Title).

FF2. Mitcham in Figs. 3A-3G discloses a flow chart for the automatic creation of a binding insurance agreement (Fig. 3A-3G and Col. 2:64-67).

FF3. Mitcham in Fig. 13 discloses what is displayed at Block 246 of the flow chart (Col. 6:14-19). Fig. 13 states "Rates are valid for 15 days from the above date" and "No policy has been issued; this is an informational quotation only. Changes in coverage will affect this proposal and premium amounts quoted. No sales call will be made without your request. To purchase your policy, please contact AUTOSURE at (214) 325-3001."

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF4. Mitcham in Fig. 13 fails to disclose "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy."

FF5. Mitcham at Col. 4:9-12 discloses that utilizing a kiosk 12 a user may create a binding insurance agreement, without the need for interacting with a representative of the insurance company.

FF6. Mitcham at Col. 6:19-24 discloses that at block 248 the options may include completing the application, having a representative of the company contact the user, printing a quote of the selected level of coverage, or exiting the program.

FF7. Mitcham at Col. 6:19-24 fails to disclose "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy" because the options are all presented in the alternative.

FF8. Mitcham at Col. 8:31-36 discloses that the process passes to block 324 which illustrates the permission of the user to contact the user by modem, USPS, or any other acceptable means.

FF9. Block 324 referred to by Mitcham occurs after block 318 which is the decision block that occurs if the user does not select to "complete contract" for the product.

FF10. Mitcham at Col. 8:31-36 fails to disclose "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy."

PRINCIPLES OF LAW

Principles of Law Relating to 35 U.S.C. § 101

The en banc court in *Bilski* held that "the machine-or-transformation test, properly applied, is the governing test for determining patent eligibility of a process under § 101." *In re Bilski,* 545 F.3d 943, 956 (Fed. Cir. 2008). The court in *Bilski* further held that "the 'useful, concrete and tangible result' inquiry is inadequate [to determine whether a claim is patent-eligible under § 101.]" *Id.* at 959-60.

The court explained the machine-or-transformation test as follows: "A claimed process is surely patent-eligible under § 101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing." *Id.* at 954 (citations omitted). The court explained that "the use of a specific machine or transformation of an article must impose meaningful limits on the claim's scope to impart patent-eligibility" and "the involvement of the machine or transformation in the claimed process must not merely be insignificant extra-solution activity." *Id.* at 961-62 (citations omitted).

Principles of Law Relating to Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). Analysis of whether a claim is patentable over the prior art under 35 U.S.C. § 102 begins with a determination of the scope of the claim.

Principles of Law Relating to Obviousness

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.") In *KSR*, the Supreme Court emphasized "the need for caution in granting a patent based on the combination of elements found in the prior art," *id.* at 415-16.

ANALYSIS

Claims Rejected under 35 U.S.C. § 101

The Appellants argue that the rejection of claim 1 under 35 U.S.C. § 101 is improper because the claim recites "a distributed computing network" and because a Microsoft Computer Dictionary refers to a "network" as a group of computer and associated devices (Third Reply Br. 4).

In contrast the Examiner has determined that claims 1 and 3-7 are properly rejected under 35 U.S.C. § 101 (Ans. 3-4).

We agree with the Examiner. A nominal recitation in the preamble for a "computing network" is provided in the claim but the claim is not tied to a "particular machine" and this nominal recitation does not impose meaningful limits on the claims scope. Further, none of the recited method steps "transform a particular article into a different state or thing. For these reasons claim 1 fails the machine-or-transformation test recited in *Bilski* and the rejection of claim 1, and claims 3-7 which have not been separately argued, is sustained.

Claims Rejected under 35 U.S.C. § 102(b) and 103(a)

The Appellants argue that the rejection of claim 1 under 35 U.S.C. § 102 (b) is improper because Mitcham fails to disclose limitation [1] or a "bindable insurance premium" (Br. 16-17). The Appellants argue that Mitcham discloses that if the user decides not to complete the insurance contract, that then they can select the option of having a representative of the insurance company contact them as shown by Figs. 3E-3G (Br. 20).

In contrast, the Examiner has determined that Mitcham discloses a "bindable insurance premium" at Col. 4:9-10, and in Fig. 13 (Ans. 26-27). The Examiner has also determined that Mitcham discloses limitation [1] at Fig. 13, Col. 6:21-23, and Col. 8:31-36 (Ans. 26).

We agree with the Appellants. Claim 1 includes limitation [1] which requires:

> "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation; and

> in response to said request, re-intermediating an insurance agent and issuing said insurance policy".

The Examiner has asserted that Mitcham discloses limitation [1] at Fig. 13, Col. 6:21-23, and Col. 8:31-36 (Ans. 26) and that Mitcham has been properly applied in the rejection (Ans. 26-33).

Mitcham discloses a method and apparatus for issuing insurance from a kiosk (FF1).

Turning first to Fig. 13, Mitcham in Fig. 13 states "No policy has been issued; this is an informational quotation only. Changes in coverage will affect this proposal and premium amounts quoted. No sales call will be made without your request. To purchase your policy, please contact AUTOSURE at (214) 325-3001." (FF3). This language does not show that a "bindable rate quotation" is present. While it is correct that Mitcham in Fig. 13 states "Rates are valid for 15 days from the above date" (FF3) this does not show that a "bindable rate quotation" is present when balanced with the other cited language listed in Fig. 13 above and that because rates for car insurance frequently vary based on an individuals driving record. Thus, Mitcham in Fig. 13 fails to disclose "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy." (FF4).

Turning next to Mitcham at Col. 6:19-24, it is disclosed that at block 248 the options may include completing the application, having a representative of the company contact the user, printing a quote of the selected level of coverage, or exiting the program (FF6). However, Mitcham at Col. 6:19-24 fails to disclose "receiving a request to purchase

said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy" because the options are all presented in the alternative (FF7) since alternative language is used with the word "or" in the cited phrase.

Turning finally to Mitcham at Col. 8:31-36 it is disclosed that the process passes to block 324 which illustrates the permission of the user to contact the user by modem, USPS, or any other acceptable means (FF8). However, block 324 referred to by Mitcham occurs after block 318 which is the decision block that occurs if the user *does not select to "complete contract"* for the product (FF9). Therefore, Mitcham at Col. 8:31-36 fails to disclose "receiving a request to purchase said insurance policy according to said bindable insurance premium quotation and in response to said request, re-intermediating an insurance agent and issuing said insurance policy" (FF10).

Mitcham has thus failed to disclose limitation [1] at Fig. 13, Col. 6:21-23, and Col. 8:31-36 (FF4, FF7, FF10) as asserted by the Examiner. For these reasons, the rejection of claim 1, and dependent claims 3 and 19 under 35 U.S.C. § 102(b) as anticipated by Mitcham is not sustained.

With regard to the rejection of claims 4-8 and 10-19 under 35 U.S.C. § 103(a) as unpatentable over Mitcham, CNA reference, and the MostChoice reference, the Examiner has not asserted that the CNA reference or the MostChoice reference discloses limitation [1]. Claim 8 contains a limitation similar to limitation [1] found in claim 1 and addressed above. Therefore for the same reasons addressed above, the rejection of claims 4-8 and 10-19

under 35 U.S.C. § 103(a) as unpatentable over Mitcham, CNA reference, and the MostChoice reference is not sustained.

CONCLUSIONS OF LAW

We conclude that Appellants have not shown that the Examiner erred in rejecting claims 1 and 3-7 under 35 U.S.C. § 101.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1, 3, and 19 under 35 U.S.C. § 102(b) as anticipated by Mitcham.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 4-8 and 10-19 under 35 U.S.C. § 103(a) as unpatentable over Mitcham, CNA Customer Services website, and the MostChoice Advisor website.

DECISION

The Examiner's rejection of claims 1 and 3-7 is sustained. The Examiner's rejection of claims 8 and 10-19 is reversed.

AFFIRMED-IN-PART

JRG

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